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UNCLAS USEU BRUSSELS 000141

SIPDIS

DOL FOR BLS AND ILAB
TREASURY FOR IMI
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SUBJECT: EU UNEMPLOYMENT UP TO 7.4 PERCENT; EURO ZONE RATE UP TO 8.0 PERCENT

¶1. SUMMARY. The latest EU unemployment data as released by the EU Commission's Statistical Office (EUROSTAT) provide another confirmation of the deterioration of the EU labor market situation. The aggregate unemployment rate for the EU-27 reached 7.4 percent in December 2008 (up from 7.3 percent in November), EUROSTAT announced on January 30. Unemployment in the euro zone (EU countries participating in the euro) increased to 8.0 in December 2008 (up from 7.9 percent the previous month). END SUMMARY.

¶2. With seasonal adjustment and compensation for differences in national statistical methods, the unemployment rate for the EU-27 stood at 7.4 percent in December 2008, up from 7.3 percent in November 2008 and from 6.8 percent in December 2007. The unemployment rate for the euro zone stood at 8.0 percent in December 2008, up from 7.9 percent in November 2008 and from 7.2 percent in December 2007 (comparison based on EU-15; euro zone membership effective in December 2008).

¶3. The lowest monthly rates among those compiled by EUROSTAT from the EU-27 for December 2008 were recorded in the Netherlands (2.7 percent) and Austria (3.9 percent). The highest rates were recorded in Spain (14.4 percent) and Latvia (10.4 percent).

¶4. EUROSTAT noted that nine countries among the EU-27 recorded a decrease in their unemployment rate over a year and fourteen an increase, while four recorded no change. The most significant decreases (December-to-December comparison) occurred in Poland (from 8.2 percent to 6.5 percent) and Slovakia (from 10.3 percent to 9.4 percent), while the highest increases occurred in Spain (from 8.7 percent to 14.4 percent) and Estonia (from 4.1 percent to 9.2 percent).

¶5. Based on EUROSTAT estimates, male unemployment reached 7.2 percent in December 2008 for the EU-27 and 7.6 percent for the euro zone, up 0.9 percentage point and 1.2 percentage point respectively when compared to December 2007. The female unemployment rate over the same period reached 7.7 percent for the EU-27 and 8.5 percent for the euro zone, up 0.3 percentage point and up 0.4 percentage point respectively over the twelve-month period.

¶6. Unemployment rates among young people under 25 for December 2008 ranged from 5.3 percent in the Netherlands and 6.9 percent in Austria to 29.5 percent in Spain and 22.5 percent in Hungary. The December 2008 rate for this age group was estimated at 16.6 percent for the EU-27 and at 16.4 percent for the euro zone, compared to 14.7 percent and 14.5 percent (plus 1.9 percentage point in both areas) respectively for December 2007.

¶7. EUROSTAT estimated that 17.911 million were unemployed in the EU-27 in December 2008, of which 12.472 million in the euro zone. In absolute numbers, the number of unemployed increased by 1,665,000 for the EU-27 and by 1,397,000 for the euro zone over the twelve-month period.

18. Following is the breakdown of unemployment rates in ascending order for the individual EU member states:

(Seasonally-adjusted)

(December 2008 rates unless otherwise indicated)

Netherlands	2.7
Austria	3.9
Cyprus	4.2
Slovenia	4.3
Denmark	4.5
Czech Republic	4.7
Luxembourg	4.8
Bulgaria	5.4
Malta	5.7
Romania	5.8 (third quarter 2008)
UK	6.1 (October 2008)
Poland	6.5
Finland	6.5
Italy	6.7 (third quarter 2008)
Sweden	6.9
Belgium	7.1
Germany	7.2
Greece	7.5 (third quarter 2008)
France	7.9
Portugal	7.9
Lithuania	8.0
Ireland	8.2
Hungary	8.5
Estonia	9.2
Slovakia	9.4
Latvia	10.4
Spain	14.4

EU-27 7.4

Euro zone 8.0

19. The monthly rates and numbers of unemployed are estimated and based on data from the EU labor force survey. The estimated rates may differ from national unemployment rates due to differences in methods and definitions of unemployment. Unemployed people according to ILO criteria are those aged 15 and over who:

-- Are without work;

-- Are available to start work within the next two weeks; and

-- Have actively sought employment at some time during the previous four weeks.

MURRAY